

CUSTOMER INNOVATION STUDY

Ferrari

re-engineers supply chain processes and maintains very lean inventory with Infor LN

“ With Infor LN, we changed our supply chain and manufacturing processes and through a new relationship we formed with a 3PL, we set to zero not only the material we manage internally, but also the risk that we would have a lack of materials anywhere on our production lines. **The end result was reducing lost production hours.**”

Vittorio Boero
CIO, Ferrari



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Facts at a glance



HEADQUARTERS
Maranello, Italy



INDUSTRY
Automotive



EMPLOYEES
2,902



PARTNERS
Infor Consulting Services (ICS)



WEB SITE
ferrari.com



INFOR PRODUCTS AND MODULES
Infor® LN, Infor ION®,
Infor Warehouse Mobility,
Infor Sales & Operations Planning

Executive overview

Situation analysis

- Implement new supply chain and manufacturing processes to support the launch of new V6 and V8 turbo engine families for Maserati, which is also part of the Fiat Chrysler Automobile Company.
- Launch and execute various information and communication technology (ICT) initiatives, which have been strictly defined, consolidated, and approved by Ferrari's board of directors, to support global sales operations.
- Enhance the sophistication of IT systems to better manage internal processes and improve efficiency.

Innovation strategy

- Implement Infor LN in Gestione Industriale (the division that produces sport cars and engines) with a functional stage-gate approach to eliminate 59 legacy systems across the finance, sales, after sales, and technical assistance application landscape.
- Implement Infor LN in Gestione Sportiva (Ferrari's Formula 1 team) to cover supply chain and manufacturing processes.
- Use Infor ION to create a simple and robust architecture to manage the 200+ interfaces in the application landscape.
- Collaborate with the Infor development team to increase the speed of the material resource planning (MRP) process, which became standard in Infor LN.

Results

- Outsourced responsibility for material handling to an external third-party logistics company, thereby reducing the capital investment previously required for inventory and eliminating the risk of insufficient materials along the production line.
- Reduced the time it takes to run the MRP process by 4 hours by collaborating with Infor's development team.
- Gained approval from the board of directors for Wave 3 of the Infor LN implementation by working with Infor Value Engineering to create a business case.

High level impact

7,255

cars made last year with the help of Infor LN

4

waves of implementation in a phased approach

59

legacy systems consolidated with Infor LN

110,000

increase in the number of messages exchanged with the help of Infor ION; went from 50K to 160K (daily peak) across 200+ interfaces on the new V6 project

Ferrari—A global luxury performance sport car producer and retailer



Ferrari re-engineers their processes

Ferrari is among the world's leading luxury brands focused on the design, engineering, production, and sale of the world's most recognizable luxury performance sports cars. The Ferrari brand symbolizes exclusivity, innovation, state-of-the-art sporting performance, and Italian design. Its history and the image enjoyed by its cars are closely associated with its Formula 1® racing team, Scuderia Ferrari, the most successful team in Formula 1 history.

From the inaugural year of Formula 1 in 1950 through the present, Scuderia Ferrari has won 224 Grand Prix races, 16 Constructor World titles and 15 Drivers' World titles. Ferrari designs, engineers, and produces its cars in Maranello, Italy, and sells them in over 60 markets worldwide.

Ferrari is divided into two business units: Gestione Industriale, which produces the iconic Ferrari sport cars and engines for its external customers like Maserati; and Gestione Sportiva, the Formula 1 team. With 95% of sales originating outside

of Italy, Ferrari is a global company that sought to enhance the sophistication of its IT systems to better manage its internal processes and improve efficiency. The huge re-engineering of Ferrari's processes required software support; Ferrari chose Infor LN, Infor ION, Infor Warehouse Mobility, and Infor Sales & Operations Planning to help do this.

Consolidating the application landscape



Ferrari decided to split the Infor LN implementation into different waves to mitigate the risk associated with a big bang implementation. The waves were organized by functional area and orchestrated to go-live across Ferrari's entire global organization at the same time.

Across all waves of the implementation, Infor LN will manage the processes that 59 legacy systems previously managed across the finance, sales, after sales, and technical assistance application landscape.

“ Many of the initiatives we have set in motion are not only for the processes managed in the headquarters in Maranello, but because we are touching processes like finance, like the revenue cycle, **Infor LN will have an impact on our worldwide operations.**”

Vittorio Boero
CIO, Ferrari



110,000

increase in the number of messages exchanged with the help of Infor ION; went from 50K to 160K (daily peak) across 200+ interfaces on the new V6 project

Infor ION makes complex integrations easier

Ferrari uses Infor ION to create a simple and robust architecture and manage the 200+ interfaces in its application landscape. Ferrari primarily uses Infor ION for business-to-business integration with Ferrari's third-party logistics (3PL) company's warehouse management system.

Multiple interfaces exist between Infor LN and other production tools to enable planning, trolley handling, and production progress monitoring. The number of messages exchanged with the help of Infor ION increased from 50,000 to 160,000 across the 200+ interfaces on the new V6 project.

RESULTS

Changing supply chain and manufacturing processes

Value realized

With the help of Infor LN, Ferrari outsourced all responsibility for material handling to an external third-party logistics company. This not only reduced the amount of materials the company manages internally to zero and reduced the capital investment previously required for inventory, but also eliminated the risk of having a lack of materials along the production line. With the new lean process, there is less production downtime and no risk that a delivery date to a customer is delayed due to materials being unavailable. Production planning at Ferrari also benefits from new tools to manage and simulate engine planning, finite capacity planning, and new control points and monitoring to guarantee an increase in production tracking. Infor Sales & Operations Planning connects the company's commercial sales forecast to the manufacturing and supply chain processes and is ultimately used for the MRP forecast. Thousands of work orders lines are planned on a weekly basis for items with more than 10 bill of material levels, all while ensuring the purchasing and supply chain choices meet price and delivery time requirements.

Increasing speed and flexibility

Ferrari engaged in technical collaboration with Infor's development team to increase the speed of the MRP process. The collaboration was beneficial to both parties: Ferrari reduced the time it takes to run the MRP by 4 hours and Infor made this enhancement standard in future versions of Infor LN. With the high level of personalization and flexibility Ferrari offers its customers, having its systems well connected through Infor LN and Infor ION means they can change the specifications of a car right up to the very last possible moment until the vehicle is introduced to the production line.

Detailed impact

0

materials managed internally as all materials are now managed by a 3PL since Infor LN was implemented

4

hour reduction in the time it takes to run the material resource planning (MRP) process; now it takes less than 2 hours

0

risk of having insufficient materials on the production line

200

points of sales spread across 62 countries will roll up to one ledger of accounts

LOOKING AHEAD

Establishing a global ledger of accounts

Ferrari will work toward completing the third wave of the implementation, so that 200 points of sales spread across 62 countries can roll up to one ledger of accounts. In a separate but related revenue cycle project, Infor LN will expand its impact to Ferrari's sales and after sales processes and be part of a new commercial system for headquarters, branch offices and Ferrari's dealer network. These projects will help Ferrari stay fully compliant with regulations required to comply with the recent IPO that made them a publically traded company on the New York Stock Exchange (NYSE).

Once all aspects of the re-engineering of Ferrari's processes is complete, the company will analyze and assess other initiatives—like providing user friendly and flexible tools to salespeople and customers, or moving Infor solutions to the cloud.

“
Once we complete the remainder of our work on Ferrari's huge process re-engineering, **we are interested in investigating the opportunity to use the cloud services from Infor through the Lift and Shift program that was announced at Inforum Europe.**”

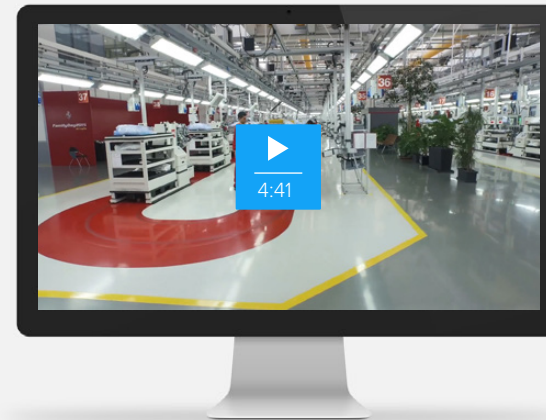
Vittorio Boero
CIO, Ferrari

Learn more

About Ferrari

Hear from Ferrari's CIO on how Infor LN helps manage Ferrari's internal processes and improve efficiency.

[Ferrari video >](#)



Scuderia Ferrari Sponsorship

“At Infor, we hold speed and quality in very high regard, and there’s no better partner to represent that than Scuderia Ferrari.” said Charles Phillips, CEO, Infor. “By sponsoring the prestigious Formula One team, we want to send a message about Infor and our software: We’re agile, we’re precise, and we build experiences to support the best of the best around the world.”

[Scuderia Ferrari sponsorship >](#)

Infor Automotive

Automotive tier and aftermarket suppliers live in a world of constant change—if you can’t keep up successfully, you risk falling behind permanently. Cutting edge Infor Automotive solutions help you change in ways that meet your needs and your schedule. When your systems make it easy to keep ahead of the breakneck speed of auto industry progress, you’ll turn your ability to change into a strategic advantage.

[Infor Automotive >](#)

Infor LN

Infor LN is the leading integrated suite of software designed specifically for project-driven, engineer-to-order, and work-order-based manufacturing companies. Manufacturers around the world use Infor LN’s advanced processes for in-line sequencing, assembly line control, and serial genealogy to build complex products at scale.

[Infor LN >](#)



Infor builds business software for specific industries in the cloud. With 15,000 employees and over 90,000 customers in more than 170 countries, Infor software is designed for progress. To learn more about Infor, please visit www.infor.com.



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